

CHUM Limited

and SUBSIDIARY COMPANIES

TO THE SHAREHOLDERS:

I am pleased to report substantial increases in both sales and earnings for the six months ended February 29, 1972.

CHUM Limited's sales rose to \$7,204,404, an increase of 64% over the \$4,389,852 for the corresponding period last year. At the same time, the Company's net earnings increased by 75% — to \$687,547 (or 21.5¢ per share) from \$393,833 (or 13¢ per share) for the six-month period ended February 28, 1971.

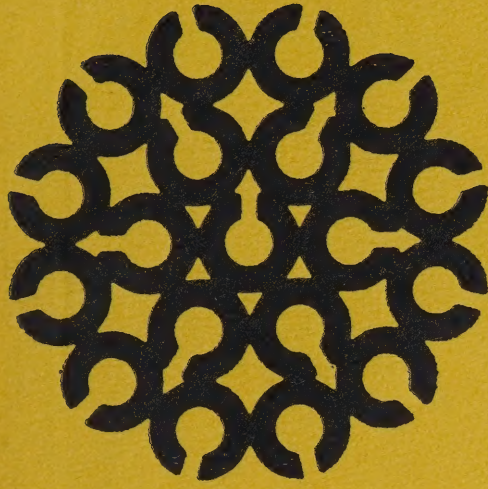
On March 28th, CJCH Limited, a company controlled by CHUM Limited, was given approval by the Canadian Radio-Television Commission to purchase all of the issued shares of Moncton Broadcasting Limited which owns CKCW Radio and CKCW Television, Moncton, New Brunswick. Concurrent with the purchase, CJCH Limited will sell the radio assets of Moncton Broadcasting Limited. CKCW Television is a CTV affiliate and has an excellent record of service to its community.

CHUM Radio received a special "Broadcaster of the Year" award from RPM Weekly for its efforts to establish communication among the programmers of Canadian radio stations. In making the presentation to CHUM Management, Walt Grealis, the publisher of the Canadian music trade publication said, "This year, one station and its leadership stood above the crowd" in citing CHUM's "significant contribution" to the broadcasting industry.

Future sales and bookings for all CHUM Group enterprises look extremely buoyant for the next six months.

ALLAN WATERS,
President.

Toronto, Ontario,
April 12, 1972.



CHUM Limited

INTERIM REPORT FOR SIX MONTHS

ENDED FEBRUARY 29, 1972

CHUM Limited

and SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS (not audited)

Six Months Ended
February 29 February 28
1972 1971

Revenue, less agency commissions	\$7,204,404	\$4,389,852
Operating expenses	5,149,274	3,341,861
	2,055,130	1,047,991
	24,717	87,516
Add: Interest and investment income	2,079,847	1,135,507
Deduct:		
Interest, including interest on long-term debt of \$4,224 (1971 — \$4,404)	83,022	31,674
Depreciation and amortization	306,609	215,100
	389,631	246,774
Earnings before income taxes and minority interests	1,690,216	888,733
Provision for income taxes	879,376	494,900
	810,840	393,833
Minority interests	123,293	—
Net Earnings for the six months	\$ 687,547	\$ 393,833
Earnings per class "B" and Common share	21.5¢	13¢
Total Class "B" and Common shares issued	3,183,303	3,088,303

NOTES:

- During the period, CHUM Limited acquired a 60% interest in Martin Goldfarb Consultants Co. Limited, and the results of its operations have been consolidated from September 1, 1971.
- On March 28, 1972, the Canadian Radio-Television Commission approved the purchase by CJCH Limited, a company owned 50.7% by CHUM Limited, of all the issued shares of Moncton Broadcasting Limited for \$1,350,000. Concurrent with the purchase, CJCH Limited has agreed to sell the radio assets of Moncton Broadcasting Limited for \$800,000.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS (not audited)

Six Months Ended
February 29 February 28
1972 1971

Source of Funds		
Operations—		
Net earnings for the period	\$ 687,547	\$ 393,833
Depreciation and amortization	306,609	215,100
Minority interests in earnings of subsidiary companies (net)	123,293	—
	1,117,449	608,933
Application of Funds:		
Additions to fixed assets	248,757	382,627
Reduction in long term debt	102,721	125,199
Cash paid to acquire shares of CJCH Limited	—	910,933
Cash paid to acquire shares of Ralph Shelnegrove Television Limited	—	570,000
Cost of investment in subsidiary company net of working capital acquired	424,687	—
Dividends	249,948	234,948
Other items (net)	13,475	14,383
	1,039,588	2,238,090
Increase (decrease) in working capital during period	77,861	(1,629,157)
Working capital at beginning of period	1,987,769	3,159,727
Working capital at end of period	\$2,065,630	\$1,530,570